

# Marvipol Development

## 1Q24 pre-sales and deliveries

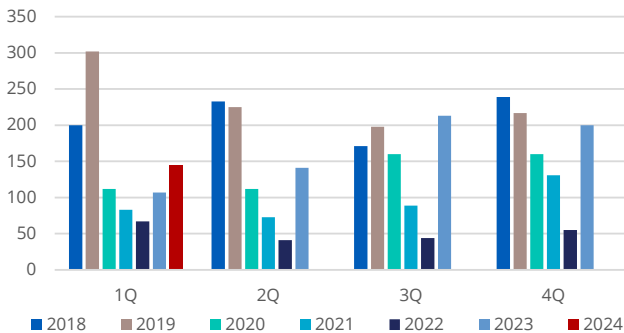
Marvipol Development reported the following operating data:

- The company reported **pre-sales** of 144 units in 1Q24 (+35% y/y and -28% q/q; the value of units sold amounted to PLN 121.6m, implying average value of ca. PLN 844.4k). As a reminder, the company had dwelling offer of 559 units as of end-4Q23.
- At the same time, the company **delivered** 14 units (vs. 103 flats in 1Q23; with value of PLN 16.7m).

*Opinion:* Regarding pre-sale, the developer presented fifth consecutive quarter with an increase in y/y terms. We suppose that the volume, which was broadly in line with our assumptions, was underpinned by offer expansion (the company had 466 flats for sale as of end-1Q23) and healthy demand. We note that the drop in q/q terms was expected given management board statements.

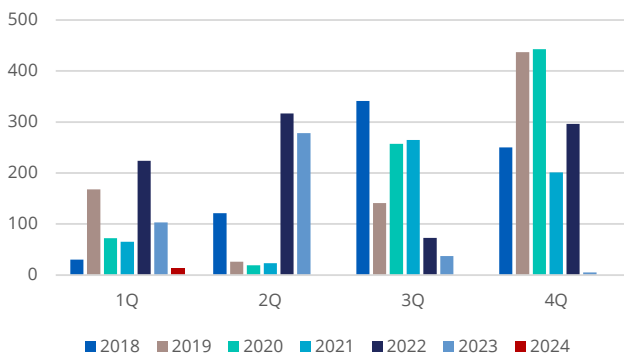
In the case of deliveries, the numbers seem uninspiring as they indicate a strong deterioration in the financial results (concurrently, we note that it was highly expected, given project schedules – we expect the volumes to rebound starting from 2Q24E).

Figure 1. Marvipol Development quarterly pre-sales (number of units)



Source: Company, IPOPEMA Research

Figure 2. Marvipol Development quarterly deliveries (number of units)



Source: Company, IPOPEMA Research

Real Estate

**Marvipol Development**  
**BUY**

**FV PLN 11.15**

25.6% upside

Price as of 2 April 2024 PLN 8.88

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The definitions of terms used in the document include:

NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value - price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

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Buy	Above 10%
Hold	In between (and including) -10% and 10%
Sell	Below -10%

#### IPOPEMA Research - Distribution by rating category (1 January – 31 March 2024)

	Number	%
Buy	12	75%
Hold	3	19%
Sell	1	6%
Total	16	100%

#### Rating History – Marvipol Development

Date	Recommendation	Fair Value	Price at recommendation	Author
07/09/2023	BUY	PLN 10.49	PLN 8.00	Adrian Górniak
12/12/2023	BUY	PLN 10.07	PLN 7.20	Adrian Górniak
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